

FORTY-FOURTH REPORT
OF
NEW YORK DOCK COMPANY

YEAR ENDED
DECEMBER 31st
1944



NEW YORK DOCK COMPANY

A Commercial Community

NEW YORK DOCK COMPANY owns and operates the largest bonded and free warehouse system in the Western Hemisphere, as well as the largest pier system in the United States. The property of the Company, located on the Brooklyn, New York waterfront, opposite the lower part of the Island of Manhattan, is approximately two and one-half miles in extent. It is centrally located in the City and Port of New York and is in close proximity to the approaches of the Brooklyn and Manhattan bridges. The entire area occupied is 188.5 acres.

80 bonded and free warehouses with total floor space of nearly 3,000,000 square feet. Storage accommodations for merchandise in any quantity.

32 piers of various sizes. Steamships of more than twenty lines berth regularly at the Company's piers.

100 manufacturing buildings. Buildings and portions of buildings for lease.

Direct railroad sidings and lighterage facilities.

FORTY-FOURTH REPORT
OF
NEW YORK DOCK COMPANY

YEAR ENDED
DECEMBER 31st

1 9 4 4

NEW YORK DOCK COMPANY

44 WHITEHALL STREET, NEW YORK 4, N. Y.

March 29, 1945.

TO THE STOCKHOLDERS:

The consolidated net income of New York Dock Company and its wholly owned subsidiary, New York Dock Trade Facilities Corporation, for the year 1944 amounted to \$669,523.53 after fixed charges and provision for depreciation and taxes, which compares with net income of \$590,026.49 for the preceding year. Net income before federal income tax provision amounted to \$1,151,523.53 and \$1,011,026.49, respectively, for the years 1944 and 1943.

The results of operation are shown in detail in the consolidated statement of income appearing on page 6. The balance sheet as of December 31, 1944, referred to in the report of Messrs. Barrow, Wade, Guthrie & Co., independent auditors, is reproduced on pages 4 and 5.

Total revenues from the operation of the Brooklyn properties, the largest in the Company's history, were \$5,944,946.63 or \$467,581.41 greater than in 1943. For the fifth consecutive year the operations of each department of the Company resulted in greater revenues than in the preceding year.

The highest gross revenues previously produced were in 1920, a postwar year. The following comparisons are interesting:

	<u>1944</u>	<u>1920</u>		
Gross revenues.....	\$5,944,947	\$5,447,400	Increase	9.1%
Operating expenses....	3,405,537	3,078,441	Increase	10.6%
Taxes.....	1,332,809	681,021	Increase	95.7%
Net operating income..	1,206,600	1,687,937	Decrease	28.5%
Ratio of taxes to net operating income....	110.5%	40.3%		

Reductions during 1944 in the Company's outstanding funded debt reached the net total of \$1,765,139.89, materially improving and simplifying the capital structure, in addition to effecting substantial savings in interest charges. The foregoing amount includes repayments of \$1,100,000 since April 10, 1944 on the \$2,000,000 secured bank loan referred to in the report for the year 1943. The interest rate on the remaining \$900,000 has been reduced to 2%. As stated in the prior report, the loan agreement continues in substance some of the provisions of the Convertible 5% Note Indenture, including dividend restrictions.

At the annual meeting to be held on April 24, 1945, stockholders will be asked to consent to a new mortgage thereby making it possible for the management to refund the Company's First Mortgage 4% Bonds due August 1, 1951, when this may be done advantageously. The nature and extent of the proposed consent are described in the notice of the meeting and proxy statement which will be mailed to stockholders on or about April 4, 1945.

The Company's extensive properties and facilities, unique in their location, equipment and services, and unusually suitable and adaptable for manufacturing, distribution and transportation in large volume, are being used intensively in the war effort. The Company's staff is in constant, active cooperation with the armed forces and other governmental agencies.

Notwithstanding heavy wartime burdens upon the properties, their physical condition and operating effectiveness have been maintained by repairs and renewals made during the year.

When final victory shall have been achieved and international relationships reestablished on a peacetime basis, the Company's properties, facilities and staff will be adequately prepared to serve in fulfilling the needs of foreign and domestic commerce.

The unprecedented demands of the war have not diminished the loyal and enthusiastic spirit which pervades the Company's organization.

By order of the Board,

D. L. TILLY,
President.

A S S E T S

CAPITAL ASSETS—at book value in 1914, less subsequent retire-
ments at cost or estimated cost, plus subsequent additions
at cost:

Real Estate, Wharves, Warehouses, etc.....	\$37,540,350.26
Equipment, Machinery, Tools, etc.	300,945.27
	<u>\$37,841,295.53</u>
Less—Reserve for Depreciation.....	9,393,490.98
	<u>\$28,447,804.55</u>
Cash on Deposit with Trustee	209,156.17

Total Capital Assets..... \$28,656,960.72

CURRENT AND WORKING ASSETS:

Demand Deposits and Cash on Hand	\$ 460,155.70
United States Government Obligations.....	775,000.00
Notes and Accounts Receivable—Trade	\$396,579.03
Less—Reserve for Doubtful Accounts.....	<u>11,979.10</u>
	384,599.93
Materials and Supplies—at cost or lower	51,533.37
Charges Accrued.....	111,499.94
Interest Accrued	<u>22,179.80</u>

Total Current and Working Assets..... 1,804,968.74

SPECIAL DEPOSITS:

Workmen's Compensation Insurance Fund:	
Bonds of the United States and City of New York— at cost	\$ 124,910.00
Other Special Deposits:	
Bonds of the United States and City of New York— at cost.....	<u>19,599.69</u>

Total Special Deposits 144,509.69

PREPAID EXPENSES AND DEFERRED ITEMS:

Prepaid Insurance.....	\$ 104,660.41
Prepaid Taxes	7,500.00
Other Deferred Items.....	<u>132,248.25</u>

Total Prepaid Expenses and Deferred Items 244,408.66

NEW YORK DOCK RAILWAY:

Current Account—\$692,113.23—book value.....	\$ 141,283.10
Property Account	258,888.90
Common Capital Stock.....	<u>300.00</u>

Total New York Dock Railway 400,472.00

Notes:

A—The Preferred Stock is entitled to non-cumulative dividends to the extent of \$5.00 per share out of the net earnings of each fiscal year before any dividends for such year shall be paid on the Common Stock. In any year in which dividends of \$5.00 per share have been declared on behalf of both Common and Preferred Stocks, all shares of stock, whether Preferred or Common, are to participate equally in any further dividends for such year. The Preferred Stock has no preference over the Common Stock in the event of dissolution or distribution of the assets of the Company.

B—The terms of the loan require installment payments of \$25,000 per month. In addition to the regular principal installments due January, February and March 1945 aggregating \$75,000, the Company during that period made principal payments of \$125,000 indicating minimum total payments for 1945 of \$425,000.

The following have been pledged in accordance with the loan agreement: New York Dock Company 4% Bonds—\$750,000; Mortgage on Trade Facilities Building—\$1,421,589.89; New York Dock Trade Facilities Corporation Capital Stock—2,500 shares.

\$31,251,319.81

CK COMPANY

d Subsidiary

ILITIES CORPORATION

as at December 31, 1944

LIABILITIES

CAPITAL LIABILITIES:

Capital Stock:

Preferred—\$5.00 Non-cumulative—without par value (Stated Value \$50.00 per share):	
Authorized—187,720 shares	
Issued —100,000 shares.....	\$ 5,000,000.00
Common—without par value (Stated Value \$50.00 per share):	
Authorized—131,404 shares	
Issued — 70,000 shares	3,500,000.00

Total Capital Stock..... \$ 8,500,000.00

Funded Debt:

First Mortgage 4% Bonds due August 1, 1951:	
Authorized and Issued	\$13,000,000.00
Less—Held in Treasury (see Note B).....	812,000.00
	\$12,188,000.00

Bank Loan (see Note B):

Principal sum	\$900,000.00
Installments due during 1945—in- cluded in Current Liabilities	300,000.00
Balance maturing after December 31, 1945	600,000.00

Total Funded Debt—Net..... 12,788,000.00

Total Capital Liabilities..... \$21,288,000.00

CURRENT LIABILITIES:

Vouchers and Payrolls.....	\$ 165,058.70
Accounts Payable and Accrued Expenses	55,189.48
Accrued Taxes.....	607,013.86
Accrued Interest on 4% Mortgage Bonds	215,633.30
Bank Loan (Installments due during 1945).....	300,000.00
Accrued Interest on Bank Loan	1,000.00

Total Current Liabilities..... 1,343,895.34

DEFERRED CREDITS:

Unearned Rents	\$ 5,499.61
Unearned Storage and Handling Revenue.....	164,952.42
Other Deferred Credits	71,478.35

Total Deferred Credits..... 241,930.38

RESERVES:

Workmen's Compensation Insurance	\$ 121,854.53
Maintenance, Claims, Law Expenses, etc.....	793,882.70
Contingencies	112,259.51

Total Reserves..... 1,027,996.74

CORPORATE SURPLUS:

Capital Surplus	\$ 5,058,287.02
Earned Surplus since December 31, 1938.....	2,291,210.33

Total Corporate Surplus 7,349,497.35

\$31,251,319.81

NEW YORK DOCK COMPANY

And Wholly owned Subsidiary

NEW YORK DOCK TRADE FACILITIES CORPORATION

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 1944

REVENUE FROM OPERATION OF THE BROOKLYN PROPERTIES:	
Manufacturing Buildings.....	\$1,346,143.55
Piers and Wharves	1,855,402.46
Storage Warehouses.....	1,946,371.82
Other Revenue	797,028.80
<i>Total</i>	<u>\$5,944,946.63</u>
OPERATING AND ADMINISTRATIVE EXPENSES:	
Maintenance	\$1,241,130.36
Depreciation.....	271,448.81
Operating	1,530,454.74
Administrative and General.....	362,503.10
<i>Total</i>	<u>3,405,537.01</u>
<i>Net Operating Revenue</i>	<u>\$2,539,409.62</u>
*CITY, STATE AND FEDERAL TAXES	<u>1,332,809.25</u>
<i>Net Operating Income</i>	<u>\$1,206,600.37</u>
NON-OPERATING INCOME:	
Earned Interest	\$ 58,272.05
Other Earned Income.....	3,491.56
<i>Total</i>	<u>61,763.61</u>
<i>Gross Income</i>	<u>\$1,268,363.98</u>
(Gross Income before Depreciation—\$1,539,812.79)	
DEDUCTIONS FROM GROSS INCOME:	
Interest on 4% Mortgage Bonds	\$ 489,222.44
Interest on Convertible 5% Notes.....	16,099.54
Interest on Bank Loan	29,625.00
Interest on 5¼% Trade Facilities Building Mortgage.....	20,731.52
Rentals and Other Income Charges	60,728.89
<i>Total</i>	<u>616,407.39</u>
	<u>\$ 651,956.59</u>
OTHER CREDIT:	
Adjustment of book value of New York Dock Railway indebtedness	<u>17,566.94</u>
<i>Net Income for year ended December 31, 1944 transferred to Surplus Account</i>	<u><u>**\$ 669,523.53</u></u>

*Includes provision for Federal Income Tax—\$482,000.00. No liability is indicated for Federal Excess Profits Tax.

**Income before provision for Federal Income Tax—\$1,151,523.53.

NEW YORK DOCK COMPANY

And Wholly owned Subsidiary

NEW YORK DOCK TRADE FACILITIES CORPORATION

CONSOLIDATED STATEMENT OF EARNED SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1944

SURPLUS—DECEMBER 31, 1943.....	\$1,697,016.66
Sundry Adjustments (Net)	75,329.86
Net Income for year ended December 31, 1944.....	\$1,621,686.80
	669,523.53
SURPLUS—DECEMBER 31, 1944	<u>\$2,291,210.33</u>

⊕

CONSOLIDATED STATEMENT OF CAPITAL SURPLUS FOR THE YEAR ENDED DECEMBER 31, 1944

BALANCE AT CREDIT—DECEMBER 31, 1943.....	\$5,039,858.33
Additions arising from transactions prior to January 1, 1939	18,428.69
BALANCE AT CREDIT—DECEMBER 31, 1944.....	<u>\$5,058,287.02</u>

⊕

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS, New York Dock Company,
44 Whitehall Street, New York, N. Y.

We have examined the Consolidated Balance Sheet of the New York Dock Company and its wholly owned Subsidiary, New York Dock Trade Facilities Corporation, as at December 31, 1944, and the Consolidated Statements of Income, Earned Surplus and Capital Surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the companies and, without making a detailed audit of the transactions, have examined or tested accounting records of the companies and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination included all procedures which we considered necessary and, in our opinion, was made in accordance with generally accepted auditing standards applicable in the circumstances.

In our opinion, the accompanying Consolidated Balance Sheet and related Consolidated Statements of Income, Earned Surplus and Capital Surplus, together with the explanatory notes thereon, present fairly the consolidated position of the companies at December 31, 1944, and the consolidated results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Barry W. Wade, Arthur E. ...

Accountants and Auditors.

New York, N. Y., March 8, 1945.

NEW YORK DOCK COMPANY

44 WHITEHALL STREET, NEW YORK 4, N. Y.

DIRECTORS

NEAL D. BECKER

ROBERT W. DOWLING

HOWARD A. FLANIGAN

DOUGLAS GIBBONS

JACOB L. HAIN

JUSTUS LAUBE

EMMET J. MCCORMACK

RICHARD L. MORRIS

DARRAGH A. PARK

H. CHRISTIAN SONNE

DAVID L. TILLY

WILLIAM J. WASON, JR.



OFFICERS

DAVID L. TILLY, *President*

CLIFFORD E. HICKS, *Vice-Pres. and Sec'y.* GEORGE E. FENNIMAN, *Vice-President*

FRANCIS E. ELDERINGTON, *Treasurer* ALBERT G. DUBERRY, *Auditor*

FRANCIS J. ANGERS, *Assistant Secretary* HENRY B. WHIPPLE, *Assistant Secretary*



TRANSFER AGENT

MANUFACTURERS TRUST COMPANY

55 Broad Street, New York 15, N. Y.



REGISTRAR OF STOCK

GUARANTY TRUST COMPANY OF NEW YORK

140 Broadway, New York 15, N. Y.

Proxies for the annual meeting of stockholders of the Company on April 24, 1945, will be requested commencing about April 4, 1945, when it is expected the proxy statement will be sent to stockholders.

